



STATE GOVERNMENT CREATING EFFICIENCIES & IMPROVEMENTS

—Mike Huebsch, Secretary, Wisconsin Department of Administration

As a former county board member and Speaker of the State Assembly, I understand what it takes to provide core government services with scarce taxpayer resources.

Serving in my current role as Governor Walker's Secretary of the Department of Administration, I have had the opportunity to help agencies implement a number of policies that have not only improved the core government services we provide to the public, but also reduced wasteful government spending.

As Governor Walker has said, to create jobs and promote economic growth, state government must

operate with business-like efficiency. Executive Order #66 requires state agencies to implement a Lean Government initiative, which is aimed at eliminating waste, saving staff time, reducing cost, and improving government services for state residents and employers.

Lean is a continuous improvement philosophy where customers, employees, suppliers, managers and executives work together to map out ways to improve operational efficiencies and maximize financial savings. Everyone works in cooperation to identify and eliminate non-value added steps in the current process.



ELIMINATING WASTEFUL SPENDING
DOES NOT HAPPEN OVERNIGHT.
IT TAKES A CHANGE IN CULTURE WITHIN
GOVERNMENT THAT REWARDS EXCELLENCE, FOSTERS
INNOVATION AND SETS UP A STRUCTURE FOR
CONSTANT IMPROVEMENT.

Wisconsin government should always be looking for ways to improve operations and services. Lean initiatives provide a framework for continuous improvement. Under the Executive Order, each state government lean project must encompass the following goals:

1. Standardize, streamline and improve state agency processes in order to improve customer satisfaction and save costs
2. Continuously look for ways to reduce the cost of government for state taxpayers
3. Improve the working environments for our state employees by increasing work satisfaction and creating safer working conditions
4. Change government culture by engaging staff at all levels in the improvement process to understand how to apply lean government initiatives to eliminate waste, save time, standardize workflow, and decrease process complexity

After developing the goals and desired outcomes for lean government projects, it is important to establish tangible measurements to evaluate each project on an ongoing basis. Governor Walker's lean initiative outlines four metrics for measuring process improvement:

IMPROVE CUSTOMER SATISFACTION

- ❑ Reducing process time significantly (cites potential reduction goal of 50%)
- ❑ Developing data that measures reduction in process time and improvement in customer satisfaction

REDUCE THE COST OF GOVERNMENT

- ❑ Use Value Stream Mapping prior to filling vacancies so that lean methods can be used to re-purpose staff and time to further organizational mission
- ❑ Use lean methods as part of the biennial budget process when requesting increased staff or funding or for new projects

IMPROVE WORK ENVIRONMENTS FOR OUR STATE EMPLOYEES

- ❑ Significantly reduce accident reports, workers compensation claims
- ❑ Significantly improve state employee work satisfaction
- ❑ Establish baseline and metrics to measure worker satisfaction

CHANGE GOVERNMENT CULTURE

- ❑ Increase the number of staff formally trained in lean government/lean six sigma methodologies each quarter
- ❑ Making Lean Government visible: leadership involvement in process redesign, participation in training recognition of team project work

State government is more efficient because Governor Walker made lean government a priority. Agencies have already completed a number of key lean projects, and below are just two of our successes:

- ❑ Wisconsin Department of Transportation's (DOT) process of procurement for share-ride taxis: DOT reduced the average lead time by 50%, reduced business area process time by 70% (or 36 hours per procurement), implemented toolkits for local sponsors, and provided up-front technical assistance to local sponsors.
- ❑ Improved processing of the Department of Agriculture, Trade, and Consumer Protection's (DATCP) food safety lab samples: DATCP is now able to deliver final reports to their clients

faster, which has improved customer service and resulted in additional savings.

My own agency has also made a number of strides with lean government. The Department of Administration has:

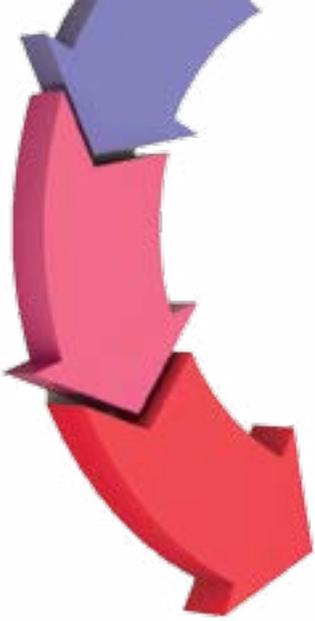
- ❑ Saved 266 hours of staff time
- ❑ Reduced the number of decision points, redundancies or handoffs from 160 steps down to 72, which improves customer service
- ❑ Trained 103 people this year, with more than 80 more employees already planned

We are currently planning 22 new projects, and throughout state government, there are more than 50 ongoing or completed lean projects. You can find detailed information regarding each agency's lean initiatives online at <http://walker.wi.gov/Wisconsin-Reform/Lean-Government/Project-Charters>.

Eliminating wasteful spending, making government more efficient, and improving core services does not happen overnight with a law or administrative rule change. It takes a change in culture within government, which rewards excellence, fosters innovation, and sets up a structure for constant improvement.

We have setup the framework for constant improvement by implementing lean principles and giving state employees the tools they need to help move Wisconsin forward. 📌

The Wisconsin Department of Administration provides a wide range of support services to other state agencies. It provides the Governor with fiscal management information and the policy alternatives required for preparation of Wisconsin's biennial budget. The department also coordinates telecommunications, energy and land use planning and community development. The agency is also responsible for statewide facilities project planning and managing the state's buildings.



WAUKESHA COUNTY SUCCESSFULLY LAUNCHES LEAN INITIATIVE

—Debra Kneser, Training & Development Coordinator, Waukesha County

Waukesha County launched its lean government initiative in fall of 2012 as eight teams from various departments completed a certificate training program on lean tools, facilitated by Waukesha County Technical College (WCTC) instructor, Pat Dolan. Teams applied the tools to improve processes with immediate and longer term improvements.

Lean is not only a collection of process improvement tools, but also a philosophy designed to help an individual or an organization eliminate waste or inefficiencies in what they do. All of us are busy, and we need to find ways to not only work smarter, but also provide our customers with what

they value and need. Although the training took time, it was fun and very exciting to see the impressive results we came up with in our initial projects.

Lean principles, once applied only to manufacturing, now are being applied to service industries, such as healthcare and government. Lean tools focus on reducing or eliminating eight areas of waste that include: errors, excessive or unnecessary transportation, unnecessary work, waiting, excessive process ap-

provals, unnecessary motions, backlog, and underutilized employee knowledge or skills.

Upon completing the program, teams reported the outcomes of their projects at the lean graduation breakfast. While all teams experienced successful outcomes with increased efficiencies, reduced waste, or cost-savings in actual dollars or time, several projects stood out. The Department of Administration's Collection Division reduced their processing time for

monthly statements from 45 days down to 29 days, exceeding their goal by one day! The cost of poor quality included client dissatisfaction, referrals, lost revenues and increasing costs per collection. The division has since organized another process improvement project.

In the Circuit Courts Division, the County-paid Guardian ad Litem Fees (GAL) had more than doubled, while payment hearing had fallen significantly. By applying lean principles the team was able to project a 60% reduction in county-paid GAL expenditures for an estimated savings of \$90,000.

Lastly, the Economic Support Division, which now processes applications via telephone, was

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SENATOR LEIBHAM'S LEAN BUDGET AMENDMENT

—Kyle Christianson, Wisconsin Counties Association & Michelle Thompson, Thompson Communications

"I have a better idea..." And so begins the journey of counties looking at the way they do business and collaboratively coming up with new and innovative ways to deliver services to their constituents. For some counties around the state in recent years, they have utilized the principles and initiatives of lean, which began in the private sector as a way to do business smarter and more efficiently, and transitioned these ideas to local governments.

One county that has fully embraced lean government is Brown County, which began several years ago when then-Brown County Executive Tom Hinz and members of the county visited Ariens Company in nearby Brillion, which had successfully used lean business principles. Their public - private partnership yielded incredible results. Today, the county has seen many benefits by collaboration with county leaders, department heads and employees to find efficiencies in service delivery and workable solutions that benefit the taxpayers.

Senator Joseph Leibham (R-Sheboygan) from Sheboygan County knows first hand about the power of bringing together private businesses and the public sector. "I have been working for months with the City of Manitowoc and other Manitowoc-area businesses on a partnership model to make local governments more efficient through the implementation of lean principles," said Senator Leibham. "There are many ways for us to look at what we do from a different perspective and find ways to eliminate inefficient and outdated procedures and come at it from a fresh angle."

He pointed to successes of the program at the state level where Governor Walker is currently requiring state agencies to implement Lean processes that reduce waste and bureaucracy in state government.

During state budget deliberations, Senator Leibham introduced an amendment (Motion #167) during the Joint Committee on Finance's budget



I BELIEVE IT IS IMPORTANT TO ENCOURAGE AND SUPPORT LOCAL GOVERNMENTS IN IMPLEMENTING LEAN INITIATIVES.

Senator Joe Leibham

deliberations that created a state program to reimburse local units of government for consulting services provided by private businesses to establish a lean government program.

Relating to his budget amendment, Senator Leibham said, “I believe it is important to encourage and support local governments in implementing lean initiatives. I was pleased to offer a budget amendment that will provide some state assistance to encourage local units of government to work with area businesses to adopt lean practices.”

As defined in the budget motion, a qualifying lean government program is one that is established by a local government to increase the value of services and goods offered with the fewest possible resources. The program will be funded with state General Purpose Revenue (GPR) at \$200,000 annually or \$400,000 over the upcoming biennium.

While a number of local governments throughout Wisconsin have adopted lean government programs or efficiencies, the budget amendment offered by Senator Leibham provides partial reimbursement for consulting costs associated with starting a lean program. The intent of the budget amendment is for local governments to consult with private businesses that are currently using lean principles or have implemented a lean program.

“I believe my amendment will encourage counties to

start the lean conversation and engage even more with local businesses in their area to understand the benefits of using lean principles in the delivery of services,” said Senator Leibham.

Under the budget motion, the state would reimburse up to \$2,000 per invoice for consulting costs charged by a private business to a local government—counties and municipalities would be limited to two invoice submissions in a five-year period. In addition, the budget amendment requires local governments that receive reimbursement to submit a report to the Wisconsin Department of Administration detailing the savings and efficiencies achieved through the lean program within one year of establishing the program.

“The 2013-15 biennial state budget is coming to a close and our legislative team is in the process of completing a final review of the budget and assessing how implementation of its provisions will impact county government,” said WCA Executive Director Mark D. O’Connell. “This budget contains many changes to local government programs and operations and Senator Leibham’s lean amendment will give counties and municipalities yet another tool to partner with private businesses to find local efficiencies – efficiencies that will positively impact our constituents. We commend him for his work and vision on this initiative.” 

\$400,000 FOR LEAN OVER THE UPCOMING BIENNUM

BROWN COUNTY'S LEAN JOURNEY

—Lynn A. Vanden Langenberg, Organizational
Development Coordinator, Brown County



Brown County has been applying lean concepts for several years. As we were advised at the start of our journey, it takes persistence and sometimes a slow start in understanding the concepts and changing the culture.

Brown County had very minimal knowledge or exposure to lean concepts as we began our lean journey. We recognized that government could not continue to operate in the past and were looking for an organized way to implement thoughtful change. Our first project was a pilot with a vendor who provided guidance to the participants to complete the project. After reviewing the results of this project, Brown County decided that the process clearly demonstrated that the participation by employees, the results of an improved process and the emphasis on customer (including taxpayers) needs would all benefit our county.

The County Executive at that time, Tom Hinz, arranged a meeting

at Ariens Company to discuss their success with implementing lean. Brown County focused on communicating the benefits of lean. We trained the lean concepts to the department heads, managers, supervisors and presented to the county board. A steering committee was selected to champion the journey, decide on lean projects, and recognize the outcomes.

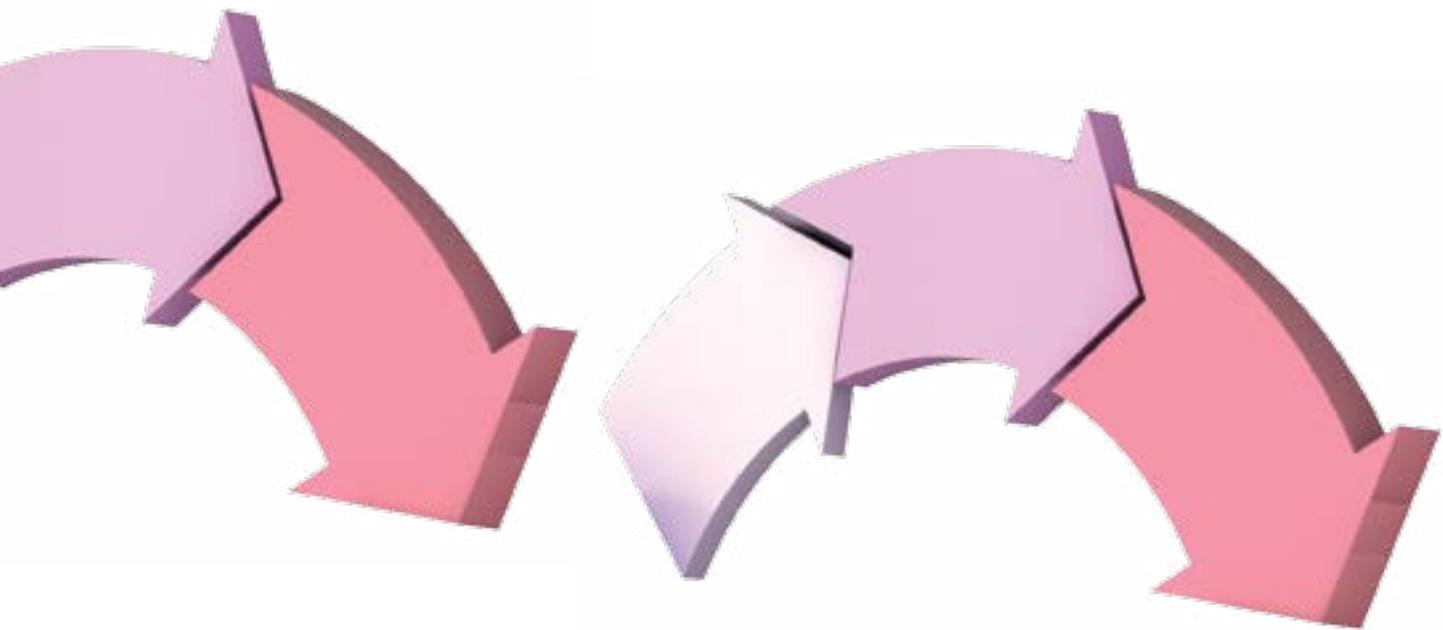
Employees were selected to be trained to facilitate the lean projects. Initially we worked in tandem with a vendor, but were soon able to work independently. Since 2009 the county has had more than 40 projects. These projects started very small, such as streamlining an individual's job. As we gained experience the lean projects grew to multi-agency events that have had far reaching impacts beyond Brown County.

In 2012, County Executive Troy Streckenbach challenged all Brown County departments to hold at least one lean event. These events range from a 6S event to maximize space

use/functionality to an event that involved three area hospitals, local law enforcement, and non-profits that assist emergency detention needs.

Brown County has a team of trained lean facilitators to conduct and manage the lean events. The lean facilitators are currently working on a training program to provide the future lean facilitators with the skills without using external vendors. The Brown County Lean Steering Committee is working on a strategic plan for the future of lean in Brown County.

Big or small, the events provide a new way of thinking about output and the customer. It is a team building experience, as well as convincing employees that they do and can make a difference in Brown County government. The staff continues to identify improvements to processes and service well beyond that last day of the event. It is a perfect opportunity to involve staff in making a better community in which to serve our taxpayers. 



FOR OUTAGAMIE COUNTY LEAN IS THE RIGHT THING TO DO

-Thomas Nelson, Executive, Outagamie County



To the business community, the concept of lean management is not new. Manufacturers, health care providers and others have adopted such practices over the past decade.

Faced with increasing competition and investor demands to improve profitability, businesses sought new ways to remedy old challenges. Thanks to lean, local companies like ThedaCare, Affinity, Goodwill Industries, and Elipticon can boast healthier balance sheets, better outcomes and happier employees.

Late to the game has been the public sector. While a handful of communities have effectively adopted lean, the vast majority of municipalities, school districts and states have not. That's a shame. There is a clear path for the public sector to implement lean and deliver similar achievements to taxpayers as their private sector counterparts did for their shareholders. And it is my goal to do just that at Outagamie County.

Two years ago, Outagamie County began its lean journey. Partnering with Fox Valley Technical College and area

business leaders like Bob Pedersen, John Wiley and Dean Gruner, Outagamie began training department heads and staff, touring area companies, and meeting with business leaders all the while collecting insights and ideas to further our journey.

As of publication, twenty-six staff are lean-certified. Eight departments have submitted lean programs for implementing lean practices and building a lean culture, two departments have drafted mission-vision-values statements, and several other departments are beginning their journey through training and taking that knowledge to the shop floor. Lean steering committee meetings are held once a month and include project report-outs that all county employees are invited to attend. Our human resources department offers half-day trainings to departments with accelerated programs who wish to disseminate basic but essential lean

training information to their employees. Certainly greater levy constraints and unprecedented cuts in state and federal aids made lean an attractive management strategy. While those factors helped put us on our journey, County Board Supervisor Jim Duncan and Corrections Officer Joshua School must be acknowledged. They brought this to my attention a year ago and their enthusiasm for lean is contagious; our journey is a testament to their passion.

Undergirding this journey, however, is my personal belief that it is the right thing to do and that lean holds great promise in the public sector.

What every county worker has in common is a passion to serve their community and do the most good with their God-given talents. Becoming more effective at their jobs and embracing a culture of continuous improvement is tantamount to accomplishing that goal.

Over sixty years ago, the U.S. government passed on an idea that would germinate into modern day lean thinking. W. Edwards Deming, a USDA statistician failed to impress upon his superiors the value of statistical process control and other early iterations of lean – so he took those ideas abroad to people willing to listen. Given the considerable success he birthed among the Japanese and later, U.S. manufacturers, I think it is time the public sector took note and acted. 🏠



NUTS & BOLTS

LEAN MANAGEMENT

So you understand the why's and what's of Lean management? But how is it implemented?

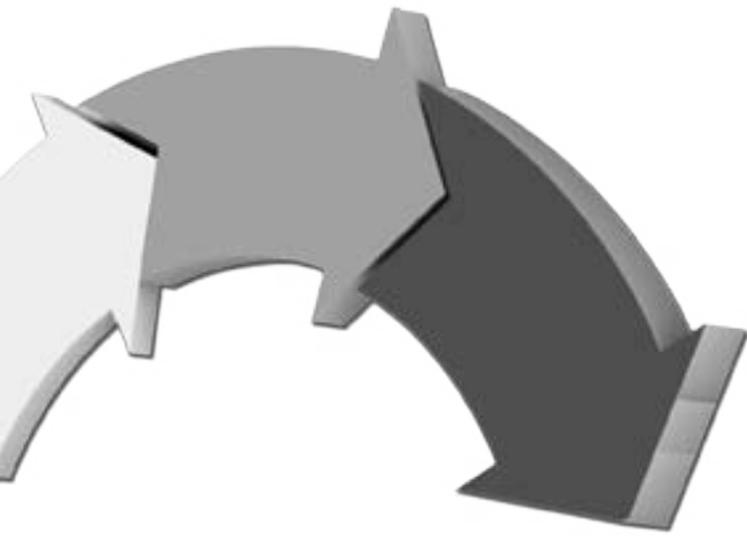
Practitioners of lean utilize any number of tools that address seven areas of waste: overproduction, waiting, inventory, transportation, over-processing, motion and defects.

The tools are many and varied but have a common purpose: to map out a specific process (such as making a cup of coffee or processing an invoice) and identify unnecessary steps that do not add value. A group of approximately six individuals, including a facilitator and someone from outside the department or division collaborate.

A common tool is the flow chart or value stream map. It is a detailed diagram on how a specific task is completed (e.g. cup of coffee brewed, anniversary award presentation made to an employee). Every single step used to complete that process is diagramed. This is the current state.

Following that exercise, the group goes through the process again, and determines which movements or activities are unnecessary, do not add value to the end product and can be eliminated. This can take anywhere from a few hours to a few days or more.

From this point, a future or ideal state is diagramed. This is the goal where the organization wants to get to achieve maximum efficiency. As the capstone, a report-out is delivered to a larger group in which the lean group details their project and celebrates their achievement. 🏠



WAUKESHA COUNTY CONTINUED

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experiencing a call wait time of almost 13 minutes per call. This resulted in many calls being dropped and created an unmet need or unresolved issue. Callers would call again, and the problem of long wait times and dropped calls would be compounded. The project goal: reduce call wait time to 8 minutes, reducing the number of dropped calls by 80%. The team exceeded their goal by one minute – wait times were reduced to 7 minutes. Most recently, the ESS consortium, using lean principles after completing the course, has reduced the call wait time to just over 2 minutes!

Waukesha County Executive Dan Vrakas noted, “Listening to the lean teams project reports was just extraordinary. Employees working together to identify better, more efficient ways to accomplish tasks was very gratifying and something I believe those involved genuinely enjoyed being a part of.” Waukesha County Board Chairman Paul Decker, who worked with companies that applied lean principles at WCTC also encouraged the County to sup-

port the lean initiative by having more employees trained so that a lean culture is established. Chairman Decker noted, “Lean organizations eliminate waste along the entire process resolving issues and providing superior service, which results in saving time, money and redundancies.” Clerk of Courts Kathy Madden, a strong champion of lean noted, “I am hopeful that the lean mentality will become ingrained in the culture at Waukesha County and applied by every employee to improve their understanding of how their own processes work. Using lean tools, they can begin to identify and implement improvements. Lean can help us build a culture of continuous improvement.”

Another 8 teams completed the lean certification this past spring with successful outcomes. All teams will continue to monitor and report on the progress of their goals. Many of the teams are thinking ahead to the next project they can work on while involving more of their coworkers, and a third group of trainees will go through the certificate training this fall. Registrar in Probate, Sally Lunde who completed lean White Belt training at WCTC this spring, will continue to reduce the time and improve the accuracy of their annual account audits. She stated simply, “It’s been fun!” 🍷

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